

Fact Sheet

CORPORATE GOVERNANCE

California Public Employees' Retirement System • 400 Q Street • Sacramento, California 95814

CalPERS 2006 Focus List Company At-A-Glance

Cardinal Health Inc. (CAH) – Dublin, Ohio

CalPERS' Holdings: 2.06 million shares (0.49% of outstanding shares)

Total Return Performance for Selected Periods Ending 03/31/06

| Time Period Ended 3/31/2006 | Cardinal Health Inc (CAH) | S&P 500 Index | Health Care Providers & Services S&P Industry Peer Index* |
|--------------------------------|------------------------------|---------------|---|
| 5 years | 16.79% | 21.46% | 108.85% |
| 3 years | 31.82% | 61.05% | 101.14% |
| 1 year | 34.04% | 11.72% | 20.17% |

Source: FactSet

The Problems:

- Cardinal Health's stock has underperformed relative to the S&P 500 and its industry peer group over the 3 and 5 year time period ending March 31st.
- Excessive takeover defenses – Supermajority requirements of 75% are in place to amend the company's bylaws. Cardinal Health does not have a policy to require shareowner approval for any future poison pill.
- No majority voting for directors.
- Total severance benefits to senior executives in the event of a change in control will exceed 2.99 times the sum of the officer's base salary plus target bonus.
- The auditor is not ratified by shareowners.

CalPERS 2006 Shareowner Proposal:

CalPERS seeks shareowner ratification of any severance agreement that provides severance benefits with a total present value exceeding 2.99 times the sum of the officer's base salary plus target bonus.